

**Policy on how we deal with SAF levies applied to CAFs where Replacement Building Scheme moneys are in the CAF at the time when the levy is applied.**

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**Scope**

This policy shall apply only to building schemes where:-

- 1). the Connexion has permitted the whole proceeds of a sale to be held within a Circuit Advance Fund with no CAPF levy being taken – this will normally only be because of a replacement project in the immediate locality

and

- 2). that the replacement project has already received full Connexional approval (both technically and funding-wise) as at the levy-taking date.

Any other situations will be levied in the usual way and applications for repayment of the levy will not normally succeed.

**Detail**

TMCP will apply the normal levy to all CAFs in accordance with their standard procedure – it will be up to the Circuit to submit a case to the Synod Schemes and Grants Committee (SSAGC) - normally by way of an application for SAF grant support - to apply for a SAF grant to compensate for an appropriate amount of the levy taken in these circumstances.

In calculating the amount of compensation that may be claimed the following criteria shall apply:-

- 1) All interest payments on project moneys shall be ignored – these shall be subject to levy in the normal way.
- 2) It shall be assumed that moneys in the CAF which are not connected with the project and any accrued interest shall have been levied in the usual way 2.5% on the first £100,000 and 5% thereafter.
- 3) The maximum amount of compensation shall be the difference between the levy actually taken by TMCP and the non-project levy calculated as in 2) above.

**Example**

Circuit A has £30,000 in their Circuit Advance Fund as at 31<sup>st</sup> August 2006.

On 1<sup>st</sup> November 2006 they receive £600,000 as net proceeds of sale on a qualifying replacement scheme

In the period up until 31<sup>st</sup> August 2007 they spend £250,000 on the first stages of the replacement project

The balance of the CAF as at 31<sup>st</sup> August is £400,000 (interest being the main other source of income during the period)

The levy applied by TMCP as at 31<sup>st</sup> August 2007 would be £17,500 (£100k @ 2.5% and £300k @ 5%).

The levy on non-project moneys would be calculated at £1,250 (£50,000 @ 2.5%) [£400,000 - (£600,000 - £250,000)]

The maximum compensation claimable would therefore be £16,250 (£17,500 - £1,250)